

### **REMARKS/ARGUMENTS**

This Amendment is in response to the Office Action of July 5, 2007, in which the Examiner (1) rejected claims 37 and 38 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention, and (2) rejected claims 22, 24-31 and 33-38 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6149055 ("**Gatto**").

By the present Amendment, Applicant has amended claims 22, 24 and 37.

#### **Rejection of Claims 37 and 38 under 35 U.S.C. § 112, second paragraph**

As understood from the Examiner's comments (page 7 of the Remarks), the rejection under 35 U.S.C. § 112 would have been overcome earlier had Applicant amended the step in claim 37 of "issuing a negotiable instrument" to "issuing a *prepaid* negotiable instrument." Applicant has so amended claim 37.

#### **Rejection of Claims 22, 24-31, and 33-38 under 35 U.S.C. § 102(e)**

Claims 22, 24 and 37 have been amended to change the term "sweep account" to "bank account." Applicant apologizes for any confusion caused by the term "sweep." Applicant used such term as a convenient identifier for the bank account from which deposits are immediately transferred or "swept" (see, e.g., page 2, line 18 of the Specification), and did not intend to recite a bank account that might be more uniquely defined in the financial industry as evidenced by the material cited by the Examiner.

With the amendments made herein, Applicant believes all claims now clearly recite the invention, and that the claimed subject matter is clearly allowable over **Gatto**.

As claimed, and as described in the Specification and explained in Applicant's prior Appeal Brief (dated April 2, 2007), Applicant's invention involves two separate accounts, one account being an account maintained at a banking institution and the other account being a prepaid account maintained by a non-banking institution (and thus not an FDIC insured account). As explained in the prior Appeal Brief:

"Appellant's invention is a method and system for issuing prepaid negotiable instruments by a non-banking institution (Application, p. 2, ll. 12-14).

While many consumers use traditional banking relationships, there are some consumers in financial circumstances that make such relationships impractical or undesirable. This group of consumers is sometimes identified as part of a cash-based society, and they avoid traditional banking relationships because of worry about garnishments, inconvenience, or disrespectful service (p. 1, ll. 27-32)

Embodiments of the invention address this problem by establishing an uninsured, prepaid account at a non-banking institution. The use of an uninsured account permits the non-banking institution to provide financial services to cash-based customers without the need for qualifying/approval barriers, high costs, and intricate fee and reporting obstacles that are associated with a traditional banking relationship (p. 5, ll. 4-8). The account is able to receive deposits of funds from or on behalf of the account holder (p. 5, ll. 8-12). Funds may then be accessed from the account through the issuance of prepaid negotiable instruments (p. 9, ll. 7-9).

Deposits may be made into the prepaid account using a separate account at a banking institution. Such deposits made to the banking account are then automatically swept into the prepaid account where they can be accessed by the account holder (p. 2, ll. 16-24). This not only permits the account holder to have the advantage of direct deposits (e.g., through the use of ACH transfers), but those funds become immediately available at the prepaid account where they may be used without the reporting and other restrictions attendant to a traditional banking relationship. (p. 6, ll. 6-20)."

Thus, in system claim 22 Applicant recites (among other things):

"a database for storing... a balance associated with the prepaid account, wherein the balance represents funds deposited to the prepaid account as advance payment for negotiable instruments,"

"wherein the prepaid account is maintained by a non-banking institution and the prepaid account is thus not an FDIC insured account," and

"a communication link connecting the server system for receiving data from a banking institution, the data relating to a bank account maintained by the banking institution for receiving deposits for the account holder and immediately crediting those deposits to the prepaid account."

The Examiner states (page 7 of the Remarks) that the claimed subject matter and Applicant's arguments in the prior Appeal Brief are contradictory, since they relate to consumers making deposits into a banking account and then to consumers conducting transactions against a prepaid account maintained by a non-banking institution, and since claim 22 appears to refer to the same account as being at a non-banking institution and as also being at a banking institution.

Applicant submits that there is no contradiction since the two accounts are clearly not the same in claim 22, but rather are two different accounts -- one at a banking institution and the other at a non-banking institution. Importantly, the two accounts are tied together to permit the advantages of Applicant's invention by the operation of the communications link and the server which, as recited in claim 22, serve to "immediately credit" to the prepaid account (at the non-banking institution) deposits made to the separate bank account (at the banking institution).

The Examiner states (page 4 of the Remarks) that **Gatto** discloses a communications link for receiving data from a banking institution (the data relating to a sweep account -- which for clarity is now recited as a bank account) and immediately crediting those deposits to the prepaid account (col. 8, lines 50-52, col. 5, lines 40-45, Abstract; cols. 2-5 and Figs. 1, 5, and 6). Applicant has carefully reviewed **Gatto** and finds no such disclosure. While **Gatto** does disclose a standard ATM interface which permits an account holder to transfer money between his/her accounts (col. 8, lines 45-53; col. 9, lines 33-39), such a transfer is clearly not between a bank account at a banking institution and another account at a non-banking institution. While **Gatto** mentions very briefly that a transaction using an EFT system might include cashing, withdrawing, depositing or cashing negotiable instruments (col. 5, lines 35-50) and that "the features of the invention may be used in a variety of electronic transactions systems including ... travel check dispensers," there are no details provided. Such a general disclosure is not Applicant's inventive system and method of providing two accounts (one at a banking institution and one at a non-banking institution), receiving data relating to deposits at the banking

institution account and "immediately crediting those deposits to the prepaid account" (at the non-banking institution), all for the purpose of "issuing prepaid negotiable instruments to an account holder" as recited in claim 22.

As best understood, the Examiner also appears to believe that since **Gatto** mentions "financial institutions" at col. 7, line 7, and that since financial institutions might encompass both banks and non-bank institutions, that **Gatto** therefore discloses Applicant's inventive arrangement of using two accounts and immediately crediting deposits from one account (at a banking institution) to a prepaid account (at a non-banking institution). Applicant respectfully submits that merely mentioning "financial institutions" does not disclose (either alone or with other features mentioned in **Gatto**) the claimed combination of elements recited in claim 22.

Since **Gatto** does not disclose the above referenced claimed features, it does not anticipate (or suggest) the subject matter of claim 22.

Since dependent claims 23-36 and method claims 37 and 38 all incorporate or recite similar features, such claims are likewise neither anticipated nor suggested by **Gatto**.

For the forgoing reasons, all claims are believed allowable over **Gatto** under 35 U.S.C. §102 and 35 U.S.C. §103.

### **CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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